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U.S. Army Contracting Command

“Our People Providing the Best
Best Value Source Selection Methods
Support!”

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Agenda

- Best Value in Source Selection
- Best Value Continuum
- Quick Comparison LPTA vs Trade-Off
- Key Characteristics
- Determining the Right Process
- Examples of Successful LPTA Awards
- LPTA vs Trade-Off Industry/Government Panel



Best Value In Source Selection



- The Expected Outcome of an Acquisition that, in the Government's Estimation, Provides the Greatest Overall Benefit in Response to the Requirement
- Trade-Off and LPTA are both source selection processes utilized under the Best Value Continuum. (see FAR 15.101-2)



Best Value Continuum

A Range of Methodologies Exist On The Best Value Continuum - FAR 15.101



Understanding the Key Differences Between LPTA and Trade-Off Will Assist in Determining Which Method Will Enable Achievement of “Best Value”



Quick Comparison of Trade-Off vs LPTA



FAR 15.101-1 Trade-Off Process

Permits trade-offs among cost or price and non-cost factors and allows the Government to accept other than the lowest price proposal or Other Than the Highest Technically Rated Offeror. Assesses Approach - (Technical, Risk, Management, Qualifications)

Used in competitive negotiated contracting.

Select the most advantageous offer.

Evaluate and compare factors in addition to cost or price.

Proposals may be ranked.

Exchanges may occur.

FAR 15.101-2 LPTA Process

Does not permit trade-off among cost or price and non-cost factors.

Used in competitive negotiated contracting.

Select the lowest price proposal that meets/exceeds minimum requirements.

No ranking of proposals.

Exchanges may occur.



Continued...

Trade-Off		LPTA	
IF	THEN	IF	THEN
<ul style="list-style-type: none">- Generally considered complex items or services- Less definitive- Developmental or developmental work is required- Non-price factors play a dominant role in the source selection decision	Use the Trade-Off Process	<ul style="list-style-type: none">- Commercial/non-complex items or services- Clear and well-defined requirements- Stable requirements- Items or services are readily and consistently available in the marketplace- Risk of unsuccessful performance is minimal- There is neither value, need or willingness to pay for higher performance- Cost/price plays a dominant role in the source selection decision	Consider using the LPTA Processes



Key Characteristics



Comparing Key Characteristics

Trade-Off	LPTA
Encourages Innovation	Innovation Not Needed, Encouraged, or Rewarded
Maximum Flexibility -provides the most discretion/flexibility when it comes to the award decision.	Minimum Flexibility - intended to be a simple selection process based upon technical acceptability/lowest price.
Competitive Range and Discussions – offerors can improve their proposals by eliminating weaknesses and deficiencies	Competitive Range and Discussions – offerors can eliminate deficiencies to become Acceptable
Enables Meaningful Comparisons	No Comparisons Permitted
Evaluation is More Complex But Can Be Simplified Using a Combination Approach When Appropriate	Evaluation is Straightforward



Key Characteristics - Continued



Comparing Key Characteristics

Trade-Off	LPTA
Performance Risk and Past Performance Assessment	Past Performance Rated Acceptable or Unacceptable
Planning Considerations - trade-off methodology generally involves in-depth planning and more time and resources. Trade-offs must be clearly documented and supported.	Planning Considerations - The LPTA process is not necessarily faster. Requires significant up front time investment to clearly identify the critical technical requirements (standards) for evaluation and the standard of proof (evidence of the offeror's compliance with the requirement) to determine whether each one is met (technical acceptability).



Key Characteristics - Continued

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Comparing Key Characteristics

Trade-Off	LPTA
Summary Overview	Summary Overview
<p>A Trade-Off process is appropriate when it may be in the best interest of the Government to:</p> <ul style="list-style-type: none">a) consider award to other than the lowest-priced offeror or:b) other than the highest technically rated offeror. <p><u>Therefore, if the ability to distinguish between the quality of non-cost/price factors and cost/price factors within offerors' proposals and give credit (assign strengths) for aspects which provide a benefit to the Government and for which it might be willing to pay more for (premium), then the tradeoff process is the best approach.</u></p>	<p>An LPTA process is appropriate when best value is expected to result from selection of the technically acceptable proposal with the lowest price.</p> <p>Award is made to the responsible contractor who is technically acceptable and has the lowest evaluated price.</p> <ul style="list-style-type: none">• Government design or stable requirements, clearly definable• Risk of unsuccessful performance is minimal• No mission-related reason to pay a premium for quality or performance exceeding the acceptable level



Determining the Right Process

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- Identifying key discriminators that are linked to the critical requirements where key risks lie is one of the most important steps in the process of determining the right process to achieve best value.

It begins with...

- Ensuring the Performance Work Statement (PWS)/Statement of Work (SOW)/Specification is complete and reflects the Government's needs at the right quality level.
- **Risk is increased where the criteria**



Continued...



Key Risk Areas = Discriminators = Possible Evaluation Criteria

Crystal Clear, Non-Debatable Evaluation Criteria

+ Evaluation on Basis of Technical Acceptability

+ Objective Standard of Proof for Each Criteria

= Candidate for LPTA Source Selection Process

If the evaluation criteria cannot be objectively defined strictly on the basis of acceptable/unacceptable, and a clear “**standard of proof**” be determined for each, the procurement is not a candidate for the LPTA process.



Examples of Successful LPTA Awards

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- Contract particulars:
 - Task Order under and existing ID/IQ for SETA
 - FAR 16.505 Fair Opportunity Competition
 - Approximately \$9M, base year plus 2 options years
- Conversation with the customer:
 - Well defined work in the PWS
 - ID/IQ contained well defined labor categories including education requirements, years of experience, certifications and security requirements
 - ❖Significant vetting of ID/IQ contract holders for award of base ID/IQ i.e. Vendors possess the Technical and Management capability to execute the work under the ID/IQ *
- Evaluation Factors:
 - Technical - Staffing matrix, Understanding of TO PWS, IMS

***Technical Understanding of ID/IQ PWS and Management Approach assessed for BV Trade-Off award of the base ID/IQ**



Examples of Successful LPTA Awards

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- Contract particulars:
 - Task Order under and existing ID/IQ for PMO
 - FAR 16.505 Fair Opportunity Competition
 - Approximately \$32M, base year plus 4 options years
- Conversation with the customer:
 - Well defined work in the PWS
 - ID/IQ contained well defined labor categories including education requirements, years of experience, certifications and security requirements
 - ❖Significant vetting of ID/IQ contract holders for award of base ID/IQ i.e. Vendors possess the Technical and Management capability to execute the work under the ID/IQ *
- Evaluation Factors:
 - Technical – understanding of mission, staffing plan, IMS

***Technical Understanding of ID/IQ PWS and Management Approach assessed for BV Trade-Off award of the base ID/IQ**



LPTA vs Trade-Off

Industry/Government Discussion Panel



Leadership Policy And Guidance

LPTA has a clear, but limited place in the source selection “best value” continuum. Used in appropriate circumstances and combined with effective competition and proper contract type, LPTA can drive down costs and provide the best value solution. LPTA offers a streamlined and simplified source selection approach to rapidly procure the commercial and non-complex services we need to support the Warfighter. If not applied appropriately, however, the Department can miss an opportunity to secure an innovative, cost-effective solution to meet Warfighter needs to help maintain our technological advantage.

Frank Kendall (USD(AT&L))



We Recognize Our Industry Partner Concerns

- “Our Industry Partners have raised concerns that the LPTA source selection process has been inconsistently and sometimes improperly applied. “

Honorable Heidi Shyu
(former) Assistant Secretary of the Army
(Acquisition, Logistics and Technology)



Balancing The Equities

- **Objectives of DoD and the Army:**

- Achieving Dominant Capabilities Through Technical Excellence and Innovation
- Greater Affordability, Efficiency, and Productivity in Defense Spending
- Consistently Meet the Needs of the Warfighter While Achieving Best Value on Behalf of Taxpayers (Right Product/Service, Right Time, Right Price)

- **Objectives of Industry Partners:**

- Value and Excellence in Services and Products
- Compete for and Win Contracts
- Sustain Profitability
- To Obtain and Maintain a Competitive Edge
- To Increase Market Share by Positioning For Repeat Contract Awards